

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

THURSDAY, APRIL 16, 2020 ~ VOL. CCLXXV NO. 89

WSJ.com

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What's News

Business & Finance

Closed malls, restaurants, factories and mines pushed down U.S. retail spending by a record amount last month, while industrial output plunged at the steepest rate in over 70 years. **A1**

◆ **Some small businesses** are deciding to close up shop for good, as government relief efforts are either too late in coming or won't provide enough cash. **A1**

◆ **J.C. Penney** said it skipped a \$12 million interest payment owed to bondholders and that it is evaluating strategic alternatives. **B1**

◆ **Big banks'** trading desks saw their strongest results in years during the first three months of 2020, one of the few bright spots in otherwise bleak financial reports. **B1**

◆ **Goldman's** profit sank 46% in the first quarter. Citigroup's earnings also dropped 46%, while Bank of America's declined 45%. **B10**

◆ **U.S. stocks** fell as investors weighed the pandemic's economic toll. The S&P 500, Dow and Nasdaq lost 2.2%, 1.9% and 1.4%, respectively. **B11**

◆ **Financial heavyweights** including Morgan Stanley, Citadel Securities and BlackRock are exploring changes to the U.S. stock market's circuit breakers. **B10**

◆ **Occidental Petroleum** has elected to pay a quarterly \$200 million payment it owes Buffett's Berkshire in shares, a sign of financial strain. **B1**

◆ **Apple** introduced a lower-price iPhone, aiming to revitalize its biggest franchise by targeting a broader group of potential buyers. **B4**

World-Wide

◆ **Banking** and financial-services executives told Trump his administration needs to dramatically boost the availability of coronavirus testing before the public would be confident enough to return to work, eat at restaurants or shop in stores. **A1**

◆ **Germany** will begin reopening its economy next week after spending a month in a partial lockdown, Merkel said. **A7**

◆ **A small-business** loan program designed to back workers' pay has exhausted most of its funding, raising pressure on U.S. lawmakers to reach a deal on the next round of economic aid. **A4**

◆ **Trump** threatened to adjourn both chambers of Congress so he can appoint nominees for key posts without Senate confirmation. **A3**

◆ **New York's** governor said he was signing an order requiring people to wear a face covering when in a public setting. World-wide, confirmed cases of the coronavirus passed two million. **A6**

◆ **The U.S.** suspects China might be secretly conducting nuclear tests with very low explosive power despite Beijing's assertions that it is adhering to an international ban. **A16**

◆ **A Pentagon** watchdog's report concluded that few actual problems occurred in awarding the JEDI cloud-computing contract, which was won by Microsoft. **A3**

◆ **Military** officials are increasingly certain that an aircraft carrier's coronavirus outbreak was sparked by the vessel's flight operations. **A4**

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Shutdown Pounds Stores, Factories

Retail sales plunge a record 8.7%, industrial output falls at steepest rate since the 1940s

By HARRIET TORRY AND SARAH NASSAUER

WASHINGTON—Closed malls, restaurants, factories and mines pushed down U.S. retail spending by a record amount last month, while industrial output plunged at the steepest rate in more than 70 years, according to reports on the economic toll of the coronavirus pandemic released Wednesday. Retail sales, a measure of

purchases at stores, gasoline stations, restaurants, bars and on-line, fell by a seasonally adjusted 8.7% in March from a month earlier, the biggest month-to-month decline since the records began in 1992, the Commerce Department said. Sales at clothing stores plunged by more than 50%, while spending on motor vehicles, furniture, electronics and sporting goods fell by double digits.

In a sign of retailers' struggles, J.C. Penney Co. said Wednesday it skipped an interest payment owed to bondholders, a step toward a possible bankruptcy filing.

The Federal Reserve separately said U.S. industrial pro-

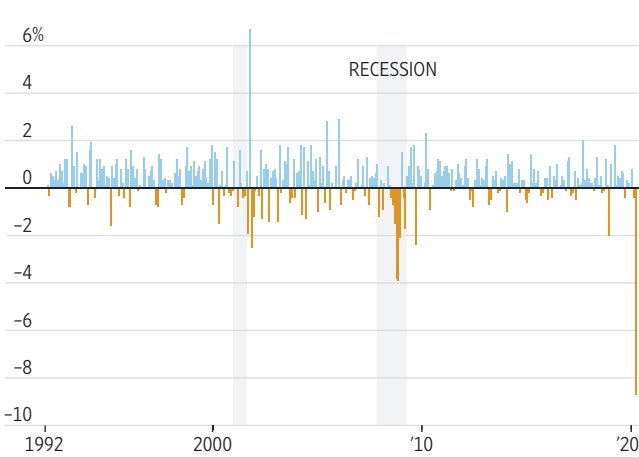
duction—a measure of factory, utility and mining output, which includes oil and natural-gas production—fell a seasonally adjusted 5.4% in March, its biggest monthly drop since 1946. Manufacturing output, the biggest component of industrial production, decreased 6.3% from the prior month, also the biggest drop since the end of World War II.

Meanwhile, a measure of U.S. home-builder confidence collapsed at a record rate, with the National Association of Home Builders saying its house-

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◆ **J.C. Penney** skips payment to bondholders..... **B1**

U.S. retail and food-services sales, monthly change



Note: Seasonally adjusted
Source: Commerce Department

Armed Against Virus, South Korean Voters Defy Pandemic



TALLIED: National Election Commission officials counted ballots in Seoul after South Korean voters on Wednesday turned out to choose the country's 300-seat National Assembly, in the world's first major national election during the pandemic. **A8**

Virus Surveillance Clashes With Privacy

Governments use technology to track and monitor individuals; concerns about overreach

By LIZA LIN IN SINGAPORE AND TIMOTHY W. MARTIN IN SEOUL

In South Korea, investigators scan smartphone data to find within 10 minutes people who might have caught the coronavirus from someone they met. Israel has tapped its Shin Bet intelligence unit, usually focused on terrorism, to track down potential coronavirus patients through telecom data. One U.K. police force uses drones to monitor public areas, shaming residents who go out for a stroll.

The Covid-19 pandemic is ushering in a new era of digital surveillance and rewiring the world's sensibilities about data privacy.

Governments are imposing new digital surveillance tools to track and monitor individuals. Many citizens have welcomed tracking

THE CORONAVIRUS PANDEMIC

College-admission exams look to go online, **A3**

Outbreak on Roosevelt is linked to flight crews, **A4**

Family recounts an early victim's last days, **A6**

Danish schools reopen, **A7**

technology intended to bolster defenses against the novel coronavirus. Yet some privacy advocates are wary, concerned that governments might not be inclined to unwind such practices after the health emergency has passed.

Authorities in Asia, where the virus first emerged, have led the way. Many governments didn't seek permission from individuals before tracking their cellphones to identify suspected coronavirus patients. South Korea, China and Taiwan, after initial outbreaks, chalked up early successes in flattening infection curves to their use of tracking programs.

In Europe and the U.S., where privacy laws and expectations are more stringent, governments and companies are taking different ap-

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Executives Tell Trump Testing Is Inadequate To Reopen

By MICHAEL C. BENDER AND ANDREW RESTUCCIA

WASHINGTON—Banking and financial-services executives told President Trump his administration needs to increase dramatically the availability of coronavirus testing before the public would be confident enough to return to work, eat at restaurants or shop in retail establishments, people familiar with the matter said.

The push for more testing came in the first of four Wednesday phone calls Mr. Trump held with business executives on his newly formed task force to reopen the economy. The president has been intensely focused on the topic amid increasingly dire economic data; Wednesday brought reports that retail sales and U.S. industrial production dropped significantly in March.

No potential dates for easing coronavirus restrictions were discussed, and no follow-up meeting was scheduled. The task force, known formally as the Great American Economic Revival Industry Groups, includes more than 200 business and political leaders, who have been divided into smaller groups based on their industry.

Germany will start reopening its economy next week after spending a month in a partial lockdown, Chancellor Angela Merkel said on Wednesday, hours before Volkswagen AG, the country's leading car maker, said its European factories would resume production as early as next week.

The people involved in the first call with Mr. Trump in-

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◆ **Germany** plans to start reopening economy..... **A7**

Pros Battle Rookies in Home Offices

Longtime remote workers are fed up; 'I was here first'

By JENNIFER LEVITZ

Greg Baker has worked from home in Kansas City, Mo., for about six years, taking inbound calls for a FedEx call center. He tackled every distraction. He unplugged the doorbell. He shut the door to the room where his teenage son's two pet birds live. He told friendly neighbors to avoid stopping by during work hours.

Then came the day last month when his wife, Cindy Baker, said, "OK, Greg, I'm coming home."

She is the chief external affairs officer for the Kansas City Area Transportation Authority, which told staff to work from

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Small Businesses Opt To Close Despite Aid

By RUTH SIMON

The federal government is pouring hundreds of billions of dollars into saving small businesses, but the effort came too late for Movie-Town Cinemas.

Ticket sales had already been declining at the independent theater in Elizabethtown, Pa., when the state's governor ordered nonessential businesses to close last month to reduce the spread of the coronavirus. Less than three weeks later, the 21-year-old theater had permanently ceased operations. "There were so many unknowns, we decided to shut down," said Glen Sponaugle, vice president of Room One Corp., Movie-Town's owner.

Movie-Town, an eight-screen theater housed in what was once a car dealership, is among the early financial casualties of the pandemic, which has killed more people in the U.S. than in any other country. As companies across the na-

tion struggle to hang on, some small businesses are making the tough decision to close up shop for good. Operating on thin margins and with modest cash cushions even in the best of times, small businesses can be particularly vulnerable in a downturn. Government-relief efforts, including a \$350 billion small-business loan fund designed to cover payrolls and other expenses for eight weeks, are either too late in coming or won't provide enough cash, some business owners said.

Plenty of small businesses were struggling before the pandemic hit. Others said they had promising futures, but couldn't come up with the cash needed to sustain operations or didn't want to take on additional debt.

The toll is likely to grow in the coming weeks as small-business owners stare down

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◆ **Small business** aid funds are nearly exhausted..... **A4**

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